



Takoma Park City Council Meeting – March 1, 2023

Agenda Item 5

Work Session

Ordinance Approving FY23 Budget Amendment No. 5

Recommended Council Action

Adopt the budget amendment.

Context with Key Issues

The Fiscal Year (FY) 2023 Budget was adopted by the City Council on May 25, 2022. Budget Amendment No.1, and Budget Amendment No.2 was adopted on July 27, 2022, Budget Amendment No.3 was adopted on September 21, and Budget Amendment No.4 was adopted on October 12. Since the last amendment, new operational needs have arisen with unforeseen costs which require changes to the approved Fiscal 2023 budget. Due to the rise of Fed Fund Target Rate, the interest revenues for both bank deposit account and the Bond Trust Fund account have been increased. In the Housing and Community Development Department, Police and Public Works, several new grant receipts are accounted for the Special Revenue Fund in this budget amendment.

Department/Division	Funding Source	Account Title	Reason for Amendment	Amount
General Government-Finance	General Fund	Interest & Dividends	Budget increase due to bank interest rate adjustment	(\$220,000.00)
General Government-Finance	General Fund	Interest Bond Trust Fund	Budget increase due to market interest rate adjustment	(\$25,000.00)
General Government-Finance	General Fund	Tree Fund Revenue	Budget increase to provide funds for the Tree Takoma Program	(\$28,000.00)
<i>General Government Revenue Subtotal</i>				(\$273,000.00)
General Government-Legislative	General Fund	Salaries	Budget increase for the Mayor and Council salaries for 7 months	\$17,921.19
<i>General Government Expenditure Subtotal</i>				\$17,921.19
Public Works-Urban Forest	General Fund	Subcontract	Budget increase due to the Tree Takoma Program	\$28,000.00
<i>Public Works Expenditure Subtotal</i>				\$28,000.00
<i>General Fund Expenditure Subtotal</i>				\$45,921.19
<i>General Fund Total</i>				(\$227,078.81)

Department	Funding Source	Account Title	Reason for Amendment	Amount
Public Works	Special Revenue Fund	PEPCO Grant	Budget increase for reimbursement due to new grant awarded for the restoration of Circle Woods	(\$10,000)
Public Works	Special Revenue Fund	PEPCO Grant	Budget expenditure increase due to new grant awarded for the restoration of Circle Woods	\$10,000
Housing & Community Development	Special Revenue Fund	Kim Lamp-Maple Avenue Complete Street	Budget increase for reimbursement due to new grant awarded for the Maple Avenue Connectivity Project	(\$304,000)
Housing & Community Development	Special Revenue Fund	Kim Lamp-Maple Avenue Complete Street	Budget expenditure increase due to new grant awarded for the Maple Avenue Connectivity Project	\$304,000
Housing & Community Development	Special Revenue Fund	MD State Arts Grant A	Budget increase for reimbursement due to new grant awarded for the assistance of the existing arts operational programming	(\$4,898)
Housing & Community Development	Special Revenue Fund	MD State Arts Grant A	Budget expenditure increase due to new grant awarded for the assistance of the existing arts operational programming	\$4,898
Housing & Community Development	Special Revenue Fund	MD State Arts Grant B	Budget increase for reimbursement due to new grant awarded for the assistance of the existing arts operational programming	(\$7,530)
Housing & Community Development	Special Revenue Fund	MD State Arts Grant B	Budget expenditure increase due to new grant awarded for the assistance of the existing arts operational programming	\$7,530
Police	Special Revenue Fund	State Police Grant-License Plate Reader	Budget increase for reimbursement due to new grant awarded for the purchase of License Plate Readers	(\$45,525)
Police	Special Revenue Fund	State Police Grant-License Plate Reader	Budget expenditure increase due to new grant awarded for the purchase of License Plate Readers	\$45,525
<i>Special Revenue Fund Subtotal</i>				\$0
Total				(\$227,078.81)

*In general, the amount in bracket () represents budget decrease in expenditure and budget increase in revenue. The amount not in bracket represents budget increase in expenditure and budget decrease in revenue. In Special Revenue Fund (SRF), the grant expenditure increases must coincide with revenue (grant reimbursement) increases within the same fiscal/accounting period. Refer to the "reason for amendment" column for budget item descriptions.

Council Priority
Fiscally Sustainable Government

Fiscal Considerations

Funding Source	Budget Amendment Type
	Budget Amount
General Fund	\$ (227,078.81)
Special Revenue -Grants	\$ -
ARPA Fund	\$ -
Total	\$ (227,078.81)
Stormwater Fund	\$ -
Grand Total	\$ (227,078.81)

Appropriation by Department	Budget Amount
General Fund Total	\$
Revenue	\$ 273,000.00
Revenue Subtotal	\$ (273,000.00)
Expenditure	
General Government	\$ 17,921.19
Police	\$ -
Public Works	\$ 28,000.00
Recreation	\$ -
Housing and Community Development	\$ -
Library	\$ -
Inter-Departmental	\$ -
Capital Improvement Program	\$ -
Expenditure Subtotal	\$ 45,921.19
GF Total	\$ (227,078.81)
Special Revenue - Total	\$ -
Public Works	\$ -
Housing and Community Development	\$ -
Library	\$ -
SRF Total	\$ -
ARPA - Total	\$ -
General Government	\$ -
Police	\$ -
Housing and Community Development	\$ -
Library	\$ -
ARPA Total	\$ -
Total	\$ (227,078.81)
Stormwater Fund	\$ -
Public Works	\$ -
Grand Total	\$ (227,078.81)

Environmental Considerations

None of the items in this budget amendment directly promote energy efficiency practices; however, the City received a \$10,000 grant from Pepco's Sustainable Maryland Communities program for Circle Woods. This project will remove existing invasive plants, and replant with native plants and install wood chip pathways to improve the habitat, aesthetics and recreation value of the site. The transfer of additional funding for Tree Takoma, from the Tree Fund to the operating budget, will enable an additional 85 trees to be planted over the budgeted 215. This new program has been well received and interest has exceeded the budget.

Racial Equity Considerations

Maple Avenue is one of the most socioeconomically, racially, and culturally diverse corridors in the City. However, it is demographically divided, with Philadelphia Ave as the dividing line. To the south, nearly every home is a single-family residence, and residents are some of the Whitest (88%) and most affluent in the City. The northern portion of Maple Ave is a mirrored opposite. About 20% of residents in northern Maple Ave don't own a car, compared to 2% on southern Maple Ave, which means a substantial number of residents rely on walking, biking, and transit to get around. Additionally, northern Maple is a primary corridor for thousands of students attending the three public schools nearby. Roadway upgrades that increase the safety and comfort for people who need or want to walk, bike, or access public transit offer more choice and autonomy for residents. The inclusion of the full corridor in the scope of this project also advances the equitability of this project because it ensures that systemwide connections are created, rather than isolated, individual improvements. A full roadway upgrade creates connectivity to public transit hubs, the City's civic center, retail and shopping opportunities, recreation, and other bikeway networks that continue to grow from either end of the corridor.

Attachments and Links

- Draft FY23 Budget Amendment Ordinances No.5.

Introduced by: Councilmember

First Reading:
Second Reading:
Effective Date:

CITY OF TAKOMA PARK, MARYLAND

ORDINANCE NO. 2023-

FISCAL YEAR 2023 BUDGET AMENDMENT NO. 5

WHEREAS, the Fiscal Year (FY) 2023 budget was adopted by the City Council on May 25, 2022; and

WHEREAS, since this date, certain revenues and expenditures originally anticipated to occur during the Fiscal Year were increased, requiring modification to the Fiscal Year 2023 budget; and staff and operational changes have arisen that were not accounted for in the Fiscal Year 2023 budget including the increase of interest revenue during the period of 2022 and 2023 and the receipt of grant funding; and

WHEREAS, those budget adjustments are listed in the table below by Department with an explanation for the adjustment and the amount to be adjusted in the Fiscal Year 2023 budget for each funding source:

Department/Division	Funding Source	Account Title	Reason for Amendment	Amount
General Government-Finance	General Fund	Interest & Dividends	Budget increase due to bank interest rate adjustment	(\$220,000.00)
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<i>General Government Expenditure Subtotal</i>				\$17,921.19
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<i>Public Works Expenditure Subtotal</i>				\$28,000.00
<i>General Fund Expenditure Subtotal</i>				\$45,921.19
<i>General Fund Total</i>				(\$227,078.81)

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Police	Special Revenue Fund	State Police Grant-License Plate Reader	Budget expenditure increase due to new grant awarded for the purchase of License Plate Readers	\$45,525
<i>Special Revenue Fund Subtotal</i>				\$0
Total				(\$227,078.81)

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND THAT:

SECTION 1. The Fiscal Year 2023 Budget is amended as follows:

General Fund-Transfers

1. Transfer \$5,000 from 4200-71004, Youth Success to account 3700-67300, Water, to provide funds for water bill at Ed Wilhelm Field.
2. Transfer \$28,000 from 4300-40015, Salaries-Part Time, to account 4800-40015, Salaries-Part Time, to provide funds for the Community Center staffing.
3. Transfer \$1,000 from 5800-70050, Training, to account 5900-70050, Training, to provide funds for the necessary staff training of Code Enforcement.

General Fund – Revenues

1. Appropriate \$220,000 to account 0001-36100, Interest and Dividends, to provide funds for the revenue increase for interest and dividends.
2. Appropriate \$25,000 to account 0001-36130, Interest Bond Trust Fund, to provide funds for the interest revenue increase for unused bond trust fund.
3. Appropriate \$28,000 to account 0001-36160, Revenue Tree Fund, to provide funds for the Tree Takoma Program.

General Fund – Expenditures

1. Appropriate \$17,921.19 to account 1110-40010, Salaries, to provide funds for the salary increases for Mayor and Council for seven months.
2. Appropriate \$28,000 to account 3800-61045, Subcontract, to provide funds for the Tree Takoma Program.

Special Revenue Fund - Transfers

1. Transfer \$37,885 from 0010-39162, New Avenue Bikeway A Revenue to account 0010-39163, New Avenue Bikeway B Revenue, to provide funds for Bikeway B project which is ahead of the schedule.
2. Transfer \$37,885 from 0010-68029, New Avenue Bikeway A Expenditure to account 0010-68030, New Avenue Bikeway B Expenditure, to provide funds for Bikeway B project which is ahead of the schedule.

Special Revenue Fund – Revenues

1. Appropriate \$10,000 to account 0010-33760, Pepco Grant, to provide fund for new grant for the restoration of Circle Woods.
2. Appropriate \$304,000 to account 0010-38340, Kim Lamp-Maple Avenue Complete Streets, to provide fund for the new grant for the design and construction of the Maple Ave Connectivity Project.
3. Appropriate \$4,898 to account 0010-33670, MD State Arts Grant A, to provide fund to assist the existing arts operational programming.

4. Appropriate \$7,530 to account 0010-33671, MD State Arts Grant B, to provide fund to assist the existing arts operational programming.
5. Appropriate \$45,525 to account 0010-38310, MD State Police Grant-License Plate Reader, to provide fund for the purchase of license plate readers.

Special Revenue Fund – Expenditures

1. Appropriate \$10,000 to account 0010-68024, Pepco Grant, to provide funds for new grant for the restoration of Circle Woods.
2. Appropriate \$304,000 to account 0010-71880, Kim Lamp-Maple Avenue Complete Streets, to provide fund for the new grant for the design and construction of the Maple Ave Connectivity Project.
3. Appropriate \$4,898 to account 0010-68020, MD State Arts Grant A, to provide fund to assist the existing arts operational programming.
4. Appropriate \$7,530 to account 0010-68021, MD State Arts Grant B, to provide fund to assist the existing arts operational programming.
5. Appropriate \$45,525 to account 0010-71980, MD State Police Grant-License Plate Reader, to provide fund for the purchase of license plate readers.

SECTION 2. This Ordinance shall become effective upon adoption.

Adopted this _____ by Roll-Call vote as follows:

AYE:

NAY:

ABSTAIN:

ABSENT:

General Fund Cumulative Budget Total with Amendments

<u>FY 2023</u>	<u>Adopted Budget</u>	<u>1st Amendment</u>	<u>Amendment 2-4**</u>	<u>Amendment 5</u>	<u>Final Budget</u>
Revenues*	27,056,238	27,056,238	27,056,238	27,056,238	27,056,238
Budget Amendment #1-5		-	-	273,000	273,000
Total Revenues	27,056,238	27,056,238	27,056,238	27,329,238	27,329,238
Expenditures*					
General Government	4,347,269	137,000	22,511	17,921	4,524,701
Police	8,538,116	-	210,377	-	8,748,493
Public Works	5,641,139	604,994	36,147	28,000	6,310,280
Recreation	2,087,480	-	12,899	-	2,100,379
Housing and Community Development	2,576,737	94,300	17,162	-	2,688,199
Communications	754,332	39,958	5,422	-	799,712
Library	1,401,556	24,377	13,129	-	1,439,062
Inter-Departmental	1,288,181	70,000	-	-	1,358,181
Capital Outlay**	6,729,125	1,192,653	-	-	7,921,778
Debt Service	740,712	-	-	-	740,712
Total Expenditures	34,104,647	2,163,282	317,647	45,921	36,631,497
Net (deficiency) of revenues over expenditures	7,048,409	9,211,691	9,529,338	9,302,260	9,302,260

*Note: For the details of revenues, and expenditures, please refer to page 42 of the attached General Fund Summary of FY23 Adopted Budget.

**Note: The total budgeted amount for budget amendment No. 2-4 is \$317,647, which includes \$141,540 Police Supervisor salary increase, \$96,030 salary increases for non-union staff and \$80,077 salary increases for union members.

General Fund FY23 Budget and Funding Source

<u>FY 2023</u>	<u>Adopted Budget</u>	<u>1st Amendment</u>	<u>Amendment 2-4</u>	<u>Amendment 5</u>	<u>Final Budget</u>
Projected Unassigned Reserve	4,922,075	4,922,075	4,922,075	4,922,075	4,922,075
Projected Committed Reserve					
Emergency Reserve	541,646	541,646	541,646	541,646	541,646
Equipment Replacement Reserve	3,744,030	3,744,030	3,744,030	3,744,030	3,744,030
WSSC Contribution for Street Work	97,535	97,535	97,535	97,535	97,535
Facility Maintenance Reserve	227,604	227,604	227,604	227,604	227,604
Non-Spendable, Prepaid	4,616	4,616	4,616	4,616	4,616
Housing Reserve	689,857	689,857	689,857	689,857	689,857
Project Committed Reserve Total	5,305,288	5,305,288	5,305,288	5,305,288	5,305,288
Projected Restricted Bond Reserve	6,235,194	6,235,194	6,235,194	6,235,194	6,235,194
Beginning of Year Fund Balance	16,462,557	16,462,557	16,462,557	16,462,557	16,462,557
Deficit	7,048,409	9,211,691	9,529,338	9,302,260	9,302,260
End of Year Fund Balance**	9,414,148	7,250,866	6,933,219	7,160,297	7,160,297

**Note: For the details of Fund Balance, please refer to page 44 of the attached General Fund Fund Balance of the FY23 Adopted Budget.

Fund Summaries

General Fund Summary

General Fund Summary

	Audited FY19	Audited FY20	Audited FY21	Adjusted FY22	Projected FY22	Adopted FY23	Change (\$) Proj FY22-FY23	Change (%) Proj FY22-FY23
REVENUES								
Taxes and utility fees	17,485,510	17,834,681	18,320,304	18,473,270	18,433,675	19,239,815	806,140	100%
Licenses and permits	84,908	66,942	88,799	104,500	78,104	86,104	8,000	100%
Fines and forfeitures	195,802	174,189	170,636	176,000	178,000	181,000	3,000	100%
Use of money and property	330,940	345,338	25,274	5,240	(38,500)	(29,000)	9,500	100%
Charges for service	1,228,834	980,290	461,223	808,331	836,891	1,017,370	180,679	100%
Intergovernmental	6,213,141	6,322,336	6,366,173	7,464,933	7,894,049	6,479,949	(1,414,100)	100%
Miscellaneous	194,199	163,187	61,324	63,000	63,000	81,000	18,000	100%
Total Revenues	25,733,334	25,886,963	25,493,733	27,095,274	27,445,019	27,056,238	(388,781)	100%
EXPENDITURES								
General Government	3,056,001	3,009,773	3,440,444	4,479,080	4,225,564	4,347,269	121,705	100%
Police	7,917,412	8,385,135	8,407,906	9,489,616	8,675,677	8,538,116	(137,561)	100%
Public Works	5,073,497	4,941,626	4,675,978	6,251,914	6,120,424	5,641,139	(479,285)	100%
Recreation	1,907,344	1,768,952	1,239,885	2,049,761	2,023,411	2,087,480	64,069	100%
Housing and Community Development	1,454,808	1,683,213	1,573,904	2,095,399	1,738,359	2,576,737	838,378	100%
Communications	507,868.6	529,330	559,155	771,497	758,621	754,332	(4,289)	100%
Library	1,319,114	1,317,662	1,274,197	1,397,064	1,424,232	1,401,556	(22,676)	100%
Inter-Departmental	1,400,240	1,157,120	1,897,265	1,659,917	1,250,083	1,268,181	38,098	100%
Capital Outlay**	3,463,316	2,555,994	2,633,828	3,360,901	3,241,825	6,729,125	3,487,300	100%
Debt Service	919,868.4	916,403	742,990	871,460	871,460	740,712	(130,748)	100%
Total Expenditures	27,019,468	26,265,208	26,445,552	32,426,609	30,329,657	34,104,647	3,774,990	-
Excess (deficiency) of revenues over expenditures	(1,286,134)	(378,245.4)	(951,819)	(5,331,335)	(2,884,638)	(7,048,409)	(4,163,771)	-
OTHER FINANCING SOURCES (USES)								
Bond proceeds	-	-	-	-	-	-	-	-
Operating transfers in (out)	(41,718)	-	-	(65,000)	(65,000)	-	65,000	-
Total Other Financing Sources (Uses)	(41,718)	-	-	(65,000)	(65,000)	-	65,000	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(1,327,852)	(378,245.4)	(951,819)	(5,396,335)	(2,949,638)	(7,048,409)	(4,098,771)	-
FUND BALANCE								
Beginning of year	22,070,110	20,742,258	20,364,013	19,412,194	19,412,194	16,462,557	(2,949,637)	100%
End of year	20,742,258	20,364,013	19,412,194	14,015,859	16,462,557	9,414,148	(7,048,409)	100%

Fund Summaries

General Fund Balance Projection Detail

General Fund Balance Projection Detail

	As of June 30, 2021			As of June 30, 2022			As of June 30, 2023
	Balance	Additions	Deletions	Balance	Additions	Deletions	Balance
Emergency Reserve	541,646	-	-	541,646	-	-	541,646
Equipment Replacement Reserve	4,054,455	700,000	1,010,425	3,744,030	600,000	754,317	3,589,713
WSSC Contribution for Future Street Work	97,535	-	-	97,535	-	-	97,535
Facility Maintenance Reserve	427,604	-	200,000	227,604	128,000	55,000	300,604
NonSpendable-Prepaid, Deposits, Inventory	242	9,374	5,000	4,616	10,000	11,000	3,616
Housing Reserve	645,857	229,000	185,000	689,857	100,000	-	789,857
Bond Reserve (Restricted)	6,535,194	-	300,000	6,235,194	-	5,000,000	1,235,194
Total Reserved/NonSpendable Fund Balance	12,302,533	938,374	1,700,425	11,540,482	838,000	5,820,317	6,558,165
Total Unassigned Fund Balance	7,109,661	-	2,187,586	4,922,075	-	2,066,092	2,855,983
Total Fund Balance	19,412,194	-	-	16,462,557	-	-	9,414,148